

D. COST OF CARE**Calculating Cost of Care**

DSHS uses the daily rate for the community residential facility. In order to project what the cost would be monthly, multiply the specific facility's daily rate X 30.42. The result is the projected monthly cost of care.

EXAMPLE

1. A client is in, or considering to go into, a facility with a daily rate of \$62.92.
2. Multiply this rate by 30.42. The result is \$1914.02.
3. To be eligible for MNRW without spenddown, the client's countable income must be at or below this rate.

MNRW and Spenddown

1. Spenddown is the amount of countable income over the facility's contracted rate for a 30.42-day month.
2. Clients must incur medical expenses of at least the total spenddown amount for the base period **and** provide proof to the department **before** we can:
 - a. Authorize MNRW services; **or**
 - b. Place the client on the wait list.
3. If you are considering approving MNRW for a client with spenddown, you must ensure the client will meet their spenddown at the beginning of every base period. Otherwise, it would be a disservice to relocate a client from the nursing home if he or she cannot maintain MNRW eligibility.
4. If a client's spenddown is so low that he or she will meet spenddown within one or two days of the base period, work with the client or the representative to get the bill into the HCS office at the beginning of the base period.
5. For spenddown clients at each eligibility review, do not remove them from an active slot at the end of the certification period **unless** they cannot meet spenddown in the first 30 days of the new base period.

Client Responsibility Toward Cost of Care

Active MNRW clients must contribute towards their cost of care. The client's responsibility is calculated using their **gross non-excluded income** (not-countable income) and reducing it by allowed deductions. The amount of non-excluded income remaining after the deductions is called available income. This available income is the amount of the client's contribution. (See [Scenarios](#) 1-3.)

Do **not** allow the private charges for a residential facility as a medical expense. These charges are not considered a medical expense.

Exception To Rule (ETR)

1. An approved ETR is required to allow a client's expenses for the following as they are not automatically allowed as a deduction in the MNRW WAC:
 - a. Guardianship fees and associated costs (per chapter 388-79 WAC);
 - b. Child support; and
 - c. Income taxes.
 2. HCS staff are to request ETRs per their regional procedures.
 3. The total of the following deductions cannot be more than the Medically Needy Income Level - MNIL See Long Term Care - [K. - Participation](#) - WAC 388-513-1380 (2) (a) for a description of how to allow these deductions from the client's responsibility toward the cost of care.
 - a. PNA
 - b. Deductions approved via an ETR:
 - (1) Guardianship fees and associated costs
 - (2) Income Taxes
 - (3) Child Support
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Using the Correct PNA

Determining the correct Personal Needs Allowance (PNA) that should be used in the client responsibility calculation will depend upon where the client was on the first day of the month (FOM). Unlike the COPES or nursing facility program, marital status does not have an affect on the client's PNA.

From	To	Day	PNA
Home	MNRW	FOM	\$58.84
Home	MNRW	Any day except the first of the month	MNIL
NF	MNRW	FOM	\$58.84
NF	MNRW	Any day except the first of the month	MNIL
Private Pay ALF	MNRW	FOM	\$58.84
Private Pay ALF	MNRW	Any day except the first of the month	MNIL
MNRW	Home	Any day	MNIL
MNRW	Nursing Home	FOM	\$41.62
MNRW	Nursing Home	Any day except the first of the month	\$58.84
MNRW	Private Pay ALF	Any day	MNIL

Splitting Client Responsibility Between Facilities

When an active Medicaid client transitions to the MNRW program, the client's contribution towards the cost of care may need to be split between the facilities for the month the client made the move.

To determine how much the client's contribution is towards the new facility:

1. Determine how much the client must pay towards the cost of care in the discharge facility. Do this by determining how many days the client was in the discharge facility in the month of the change (do not count the day the client discharges).
2. Multiply the number of days by the facility's department contracted daily rate. The result is the amount of the client's cost of care for the discharge facility. Allow this as a deduction towards the client's responsibility in the new facility.
3. When re-computing client participation or responsibility because of a change, be sure to use the correct PNA based on the chart in the previous section.
4. Manually generate ACES LTC change letters, as needed.

5. Do **not** allow the private charges for a residential facility as a medical expense. These charges are not considered a medical expense.